

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE FAILURE OF CERTAIN UTILITIES) ADMINISTRATIVE
TO FILE ANNUAL REPORTS) CASE NO. 307

O R D E R

On May 29, 1986, the Commission levied a fine of \$100 against Bandana Water District ("Bandana") for its failure to file an annual report for the calendar year ending December 31, 1985. The Commission further ordered Bandana to file the required report within 20 days of its order. Bandana failed to pay the fine but did file a report within the 20 days. The fine of \$100 is still unpaid.

The Commission has recently been advised of the reasons for Bandana's noncompliance. After the original operator and manager of Bandana ended his association with the water district in 1984, several local residents volunteered to manage it. Although well-intentioned, these volunteers had no training or experience in the operation of a water distribution system. They proved to be poor administrators and record-keepers. For over two years, little billing of customers was done. Depreciation and reserve accounts were nearly drained to pay necessary bills. Most of Bandana's records were lost or misplaced.

Recent efforts have been made to restore proper management to Bandana. A new board of commissioners has been appointed. A

certified water plant operator and a bookkeeper have been hired. Records have been reconstructed.

Ballard County Judge/Executive Lloyd Key has requested that the \$100 fine be lifted. Due to past mismanagement, he states, Bandana's funds are limited.

The Commission, after consideration of the record and being advised, is of the opinion and finds that:

1. Payment of the fine would place a heavy burden on Bandana's limited resources.

2. Efforts have been made to insure that annual reports are timely filed with the Commission. Bandana's annual report for the 1986 calendar year was timely filed.

3. The fine should be suspended until April 1, 1989. If Bandana timely files its annual reports for the 1987 and 1988 calendar years, then the fine should be rescinded at the end of the suspension period. If Bandana fails to make a timely filing of its annual report for the 1987 or 1988 calendar year, then the suspension period should immediately end and enforcement action immediately brought.

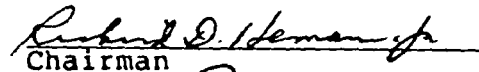
IT IS THEREFORE ORDERED that:

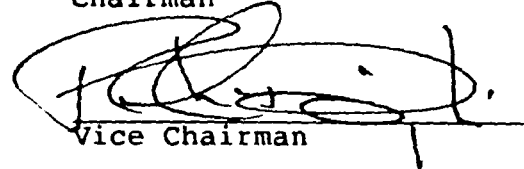
1. The fine levied against Bandana shall be, and hereby is suspended until April 1, 1989. If Bandana timely files with the Commission its annual reports for the 1987 and 1988 calendar years, this fine shall be rescinded. Rescission shall occur on April 2, 1989, and shall not require any additional action by the Commission.

2. If Bandana fails to make a timely filing of its annual report of the 1987 or 1988 calendar year, the suspension period shall immediately end and the fine shall immediately become payable.

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director